

IN THE SPECIFICATION:

Please amend the paragraph beginning on line 6-17 of page 5 as follows:

--Fig. 1 is a diagram illustrating an embodiment of the contents data managing system according to the present invention. A ~~persona~~ personal computer 1 is connected to a network 2 comprising a Local Area Network, the Internet, or the like. The personal computer 1 takes music data received from an EMD (Electrical Music Distribution) server 3 or read from a CD (Compact Disk) (such music data will hereafter be referred to as "contents") and either records the contents as such, or converts the contents into a predetermined encoded format (e.g., ATRAC3 (Registered Trademark)) and also encrypts the contents with an encrypting format such as DES (Data Encryption Standard) and then records the contents.--